

REMARKS/ARGUMENTS

This Amendment is responsive to the Office Action mailed on July 2, 2010. Claims 1, 4-5, 7, 9, 12-16, 20, 35-39, 41-43, 45-46, 50-51, and 57-63 have been amended. New claims 64-67 have been added. Support for new claims can be found at least at paragraphs [004]-[006] and [0019]. No new matter has been added. Reconsideration of the rejected claims is respectfully requested.

I. CLAIM REJECTIONS UNDER 35 U.S.C. § 102

In the Office Action, claims 35-43, 45, 49 and 59-63 are rejected under 35 U.S.C. § 102(e) as being anticipated by Davis et al. (U.S. Pat. No. 6,298,336). This rejection is traversed.

Davis does not anticipate (or obviate) the present claims because Davis fails to teach (or suggest) each and every limitation of independent claim 35. For example, Davis fails to teach or suggest, *inter alia*, “means for receiving a request directly from the loyalty program participant using a keypad or a graphical user interface for changing the participation status in the loyalty program associated with the activated portable device from a first status to a second status.”

Embodiments of the invention allow a loyalty program participant to directly change his or her status in a loyalty program. Under conventional practice, when a portable device with a loyalty module is issued, the participation status of the consumer is permanently set to active (i.e., the consumer is automatically opted into the loyalty program). *See* present application at [0005]. As a result, since the participation status cannot be changed, the consumer will always participate in the loyalty program offered by the issuer of the portable device. *Id.* If the consumer desires to change his or her participation status, the consumer will then have to be issued a new portable device with a new loyalty module and the participation status set to not active. *Id.* Thus, whenever a consumer desires to change his or her participation status in a loyalty program, the consumer is issued a new portable device with a new loyalty module. *Id.* Issuing a new portable device every time a consumer wants to change his or her participation status has many disadvantages. *Id.* at [0006]. For example, for the issuer perspective, it is very

costly to issue a new portable device every time a user desires to change his or her participation status. *Id.* Moreover, the reissue of new portable devices for every status change impacts rate of participation, since consumers might not want to participate in a loyalty program if the consumer has to have a new portable device issued every time a change in participation status is desired. *Id.* Thus, the benefits of providing loyalty programs are compromised because consumers may become less willing to participate in any loyalty programs due to the inconvenience involved. *Id.* Embodiments of the invention address these disadvantages.

Davis does not disclose any way that a participant in a loyalty program can change his or her status in the loyalty program. In fact, Davis does not teach or suggest anything related to a loyalty program. Instead, Davis is directed to activation of stored value cards at point of distribution (e.g., at a card dispensing machine). See Davis at Abstract and column 2, lines 5-24. For example, a customer purchases a stored value card and the issuer activation key is used within the card dispensing machine to activate the card. *Id.* This way if cards are lost or stolen during any point in the transport or storage before they are activated, the card cannot be used and no loss of value occurs.

In the Office Action, column 3, lines 24-25, column 14, line 18 to column 15 line 2, and column 16, line 17 to column 17, line 48, are cited as disclosing the limitations for claim 35. As explained above, nothing in Davis teaches or suggests anything related to a loyalty program. The passages cited simply disclose initial activate of a stored value card by a card dispensing machine. Thus, there is nothing in Davis that teaches or suggests “means for receiving a request directly from the loyalty program participant using a keypad or a graphical user interface for changing the participation status in the loyalty program associated with the activated portable device from a first status to a second status.”

Independent claims 39, 43 and 59 contain similar limitations. Since Davis does not teach (or suggest) at least this limitation, anticipation has not been established for independent claims 35, 39, 43 and 59 or any claims dependent thereon.

Moreover, in an effort to expedite prosecution in this case, claim 35 has been amended to include “means for receiving a request directly from the loyalty program participant using a keypad or a graphical user interface for changing the participation status in the loyalty

program associated with the activated portable device from a first status to a second status” to make it clear that the portable device has already been activated and thus, the claim is not directed to initial activation of the portable device, but rather, changing the participation status in the loyalty program on the activated portable device.

A similar amendment has been made to independent claims 1, 13, 39, 43, 46, and 59. Since Davis does not teach (or suggest) at least this limitation, for this additional reason, anticipation has not been established for independent claims 1, 13, 35, 39, 43, 46, and 59 or any claims dependent thereon.

II. CLAIM REJECTIONS UNDER 35 U.S.C. § 103 – DAVIS AND SMITH

In the Office Action, claims 1, 4-7, 9-20, 56-58 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Davis in further view of Smith et al. (U.S. Pat. No. 5,777,305). This rejection is traversed.

As explained in detail above, Davis does not teach (or suggest) , *inter alia*, “means for receiving a request directly from the loyalty program participant using a keypad or a graphical user interface for changing the participation status in the loyalty program associated with the activated portable device from a first status to a second status” as recited in independent claim 35. Independent claims 1 and 13 contain similar limitations. Accordingly, for the reasons explained above, obviousness has not been established for independent claims 1, 13, or any claims dependent thereon.

Moreover, the Examiner admits that “Davis does not teach the receiving to change the status is after the card is activated” and cites to Smith for this feature. Office Action at 5. The Examiner states that “Smith teaches deactivating an activated card using the same step as activating the card if the card is to be returned or be reused (see col. 7 line 45 to col. 8 line 30). Deactivating a card, however, is not the same as changing a participation status in a loyalty program. One advantage of embodiments of the current invention is that a participant can change his or her status in a loyalty program without having to be reissued a new portable device each time he or she changes the status. Smith simply discloses activation and deactivation of a prepaid debit card. The card is deactivated when the customer has used the entire dollar value of

the card or when the customer returns the package assembly unopened. *See* Smith at col. 7 lines 55-58. Thus, Smith does not teach or suggest a change in status in a loyalty program and in Smith, a customer would have to get a new prepaid debit card (e.g., be reissued a new card) if he or she wanted to use the card again.

For this additional reason, obviousness has not been established for claims 1, 13, or any claims dependent thereon.

III. CLAIM REJECTIONS UNDER 35 U.S.C. § 103 – DIRAIMONDO AND DAVIS

In the Office Action, claims 39-42, 46, 48-51 and 55 are rejected under 35 U.S.C. § 103(a) as being unpatentable over DiRaimondo et al. (U.S. Pat. No. 7,032,047) in view of Davis. This rejection is traversed.

Obviousness has not been established because neither reference teaches or suggests all of the limitations of the claims. For example, neither reference teaches or suggests, *inter alia*, (1) “means for receiving a request directly from the loyalty program participant using a keypad or a graphical user interface for changing the participation status in the loyalty program associated with the activated portable device from a first status to a second status,” (2) “means for receiving card image data from the activated portable device, the card image data including a parameter indicating the participation status as having the first status for the activated portable device,” (3) “means for modifying the parameter in the card image data, the modification of the parameter corresponding to a change of the participation status from the first status to the second status,” and (4) “wherein the networked computing device further comprises means for updating the card image data in the activated portable device with the modified card image data, the modified parameter indicating the participation status as having the second status” as recited in currently amended independent claim 39. The last three limitations will be discussed together.

- A. The Cited References Do Not Teach or Suggest “means for receiving a request directly from the loyalty program participant using a keypad or a graphical user interface for changing the participation status in the loyalty program associated with the activated portable device from a first status to a second status”**

In the Office Action, the Examiner admits that DiRaimondo does not teach “means for receiving a request using a keypad or a graphical user interface for changing the participation status,” and cites to Davis for this limitation. Office Action at 8. As explained in further detail above, Davis does not disclose any way that a participant in a loyalty program can change his or her status in the loyalty program. In fact, Davis does not teach or suggest anything related to a loyalty program.

Independent claim 46 contains a similar limitation. For at least this reason, obviousness has not been established for independent claims 39, 46 or any claims dependent thereon.

- B. The Cited References Do Not Teach or Suggest “means for receiving card image data from the activated portable device, the card image data including a parameter indicating the participation status as having the first status for the activated portable device,” “means for modifying the parameter in the card image data, the modification of the parameter corresponding to a change of the participation status from the first status to the second status” and “wherein the networked computing device further comprises means for updating the card image data in the activated portable device with the modified card image data , the modified parameter indicating the participation status as having the second status”**

Additionally, DiRaimondo does not teach or suggest “means for receiving card image data from the activated portable device, the card image data including a parameter indicating the participation status as having the first status for the activated portable device,” “means for modifying the parameter in the card image data, the modification of the parameter corresponding to a change of the participation status from the first status to the second status,” and “wherein the networked computing device further comprises means for updating the card image data in the activated portable device with the modified card image data , the modified parameter indicating the participation status as having the second status.” At best, DiRaimondo describes a card acceptance location that queries stored lists to determine whether a smart card is

on the list, and if it is on the list, it "issues a command to the smart card to update the loyalty/concession parameter on the smart card." Col. 11, lines 14-19. This is different from actually receiving the card image data, modifying that data, and then updating the card image data in the portable device.

Independent claim 46 contains a similar limitation. For this additional reason, DiRaimondo does not anticipate (or obviate) independent claims 39, 46 or any claims dependent thereon.

IV. DOUBLE PATENTING

In the Office Action, claims 1, 4-7, 9-20, 35-43, 45-46, and 48-63 are rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over various claims of the following applications and patents: U.S. Patent No. 7,121,456, U.S. Patent No. 7,374,078, U.S. Patent No. 7,591,412, U.S. Patent No. 7,624,917, Application No. 11/923,958, and Application No. 12/561,678.

These rejections are traversed. However, to expedite the prosecution of this application, a Terminal Disclaimer is being filed to obviate the obviousness-type double patenting rejections. No admissions are made by the filing of the Terminal Disclaimer. Acceptance of the Terminal Disclaimer and withdrawal of the obviousness type double patenting rejections is respectfully requested.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested. If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Appl. No. 10/660,328
Amdt.

PATENT

The Commissioner is hereby authorized to charge any additional fees or credit any overpayment in connection with this paper to Deposit Account No. 20-1430.

Respectfully submitted,



Raquel Pacheco
Reg. No. 58,401

TOWNSEND and TOWNSEND and CREW LLP
Two Embarcadero Center, Eighth Floor
San Francisco, California 94111-3834
Tel: 415-576-0200
Fax: 415-576-0300
RIP:km
62778274 v1